

Cigarettes and manufactured tobacco: taxes and taxes on consumption

1998/0189(CNS) - 15/05/1998 - Legislative proposal

OBJECTIVE: the proposal for a Directive seeks to make certain technical adjustments to existing Community legislation in the field of taxation of manufactured tobacco. **SUBSTANCE:** in the light of the Commission report on the structure and rates of excise duty on manufactured tobacco (annexed to the proposal), the Commission proposes to amend: - certain provisions of Directive 92/79/EEC on the approximation of taxes on cigarettes; the aim is to allow the Member States greater latitude to adjust the incidence of the overall minimum excise duty in the event of a change in the retail selling price of cigarettes in the most popular price category; - certain provisions of Directive 92/80/EEC on the approximation of taxes on manufactured tobacco other than cigarettes: the Commission proposes amending existing legislation so as to allow Member States also to levy a minimum excise duty on cigars, cigarillos and smoking tobacco. The specific minimum rates for tobaccos other than cigarettes must be adjusted in line with inflation. Two-yearly adjustments to the structure or rates of excise seem too frequent: five- yearly intervals are considered more appropriate; - certain provisions of Directive 95/59/EC on taxes other than turnover taxes which affect the consumption of manufactured tobacco: it is proposed that the Member States be allowed greater latitude to adjust the specific component of excise duty in the event of a change in the retail selling price of cigarettes in the most popular price category.